

SENATE BILL No. 104

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-31.3.

Synopsis: Gary professional sports development area. Authorizes the city of Gary to establish a professional sports and convention development area (area), or to modify that area, before July 1, 2007. (Current law prohibits the establishment of new areas or modification of existing areas.) Provides that the area must be located in a redevelopment area established by the city. Exempts an area established by the city from review by the budget committee and approval by the budget agency. Makes technical corrections.

Effective: July 1, 2006.

Rogers

January 9, 2006, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 104

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-7-31.3-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. Except as provided
3 in ~~section 8(b)~~ **of by** this chapter, this chapter applies only to a city or
4 a county without a consolidated city that has a professional sports
5 franchise playing the majority of its home games in a facility owned by
6 the city, the county, a school corporation, or a board under IC 36-9-13,
7 IC 36-10-8, IC 36-10-10, or IC 36-10-11.

8 SECTION 2. IC 36-7-31.3-8 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) A designating
10 body may designate as part of a professional sports and convention
11 development area any facility that is:

12 (1) owned by the city, the county, a school corporation, or a board
13 under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and
14 used by a professional sports franchise for practice or competitive
15 sporting events; or

16 (2) owned by the city, the county, or a board under IC 36-9-13,
17 IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used as one (1) of



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the following:

- (A) A facility used principally for convention or tourism related events serving national or regional markets.
- (B) An airport.
- (C) A museum.
- (D) A zoo.
- (E) A facility used for public attractions of national significance.
- (F) A performing arts venue.
- (G) A county courthouse registered on the National Register of Historic Places.

A facility may not include a private golf course or related improvements. The tax area may include only facilities described in this section and any parcel of land on which a facility is located. An area may contain noncontiguous tracts of land within the city, county, or school corporation.

(b) Except for a tax area that is located in:

(1) a city having a population of ~~(1)~~ more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or

~~(2) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);~~

(2) a city other than a consolidated city that as of January 1, 2005, had two (2) professional sports franchises that play the majority of their home games in facilities that are:

(A) owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11; and

(B) located in a redevelopment area designated by the city under IC 36-7-14;

a tax area must include at least one (1) facility described in subsection (a)(1).

~~(c) Except as provided in subsection (d);~~ A tax area may contain other facilities not owned by the designating body if:

(1) the facility is owned by a city, the county, a school corporation, or a board established under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11; and

(2) an agreement exists between the designating body and the owner of the facility specifying the distribution and uses of the covered taxes to be allocated under this chapter.

SECTION 3. IC 36-7-31.3-9, AS AMENDED BY P.L.214-2005, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2006]: Sec. 9. (a) **This subsection does not apply to a city described in section 8(b)(2) of this chapter.** A tax area must be initially established by resolution:

- (1) except as provided in subdivision (2) before July 1, 1999; or
- (2) before January 1, 2005, in the case of:
 - (A) a second class city; or
 - (B) the city of Marion;

according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. Before May 15, 2005, a tax area may be changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area. After May 14, 2005, a tax area may not be changed and the terms governing a tax area may not be revised. Only one (1) tax area may be created in each county.

(b) This subsection applies to a city described in section 8(b)(2) of this chapter. Before July 1, 2007, the designating body may:

- (1) adopt a resolution initially establishing a tax area, according to the procedures set forth for the establishment of an economic development area under IC 36-7-14; or**
- (2) adopt a resolution changing the tax area established under subdivision (1) or revising the terms governing the tax area, in the same manner as the establishment of the initial tax area.**

After June 30, 2007, the tax area may not be changed and the terms governing the tax area may not be revised. Only one (1) tax area may be created in the county. The designating body shall notify the budget agency of the adoption of a resolution under this subdivision.

~~(b)~~ (c) In establishing the tax area, the designating body must make the following findings instead of the findings required for the establishment of economic development areas:

- (1) Except for a tax area in a city having a population of:
 - (A) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or
 - (B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used by a professional sports franchise for practice or competitive sporting events. A tax area to which this subdivision applies may also include a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any

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purpose specified in section 8(a)(2) of this chapter.

(2) For a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a) of this chapter.

(3) For a tax area in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(4) The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

(5) The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) (d) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the designating body to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 4. IC 36-7-31.3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax area to the professional sports and convention development area fund established for the city or county. The allocation provision must apply to the entire tax area. The resolution must provide the tax area terminates not later than December 31, 2027. **The allocation provision of a resolution adopted by a city described in section 8(b)(2) of this chapter applies only to covered taxes remitted by a taxpayer after December 31, 2006, or the effective date of the resolution, whichever is later.**

(b) In addition to subsection (a), all of the salary, wages, bonuses, and other compensation that are:

- (1) paid during a taxable year to a professional athlete for professional athletic services;
- (2) taxable in Indiana; and
- (3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member of a team that plays the majority of the professional athletic events that

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the team plays in Indiana in the tax area.

(c) The total amount of state revenue captured by the tax area may not exceed five dollars (\$5) per resident of the city or county per year for twenty (20) consecutive years.

(d) The resolution establishing the tax area must designate the facility or proposed facility and the facility site for which the tax area is established.

(e) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

SECTION 5. IC 36-7-31.3-11, AS AMENDED BY P.L.199-2005, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. **(a) This section does not apply to a city described in section 8(b)(2) of this chapter.**

~~(a)~~ **(b)** Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the designating body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

~~(b)~~ **(c)** Upon adoption of a resolution changing the boundaries of a tax area under section 10 of this chapter, the ~~commission~~ **designating body** shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit in the county where the district is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the district, including the following:

(i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

~~(c)~~ **(d)** Upon completion of the actions required by subsection ~~(b)~~, **(c)**, the ~~commission~~ **designating body** shall submit the resolution to the budget committee for review and recommendation to the budget agency. The budget committee shall meet not later than sixty (60) days after receipt of a resolution and shall make a recommendation on the resolution to the budget agency.

SECTION 6. IC 36-7-31.3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. **(a) This section does not apply to a city described in section 8(b)(2) of this chapter.**

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1 ~~(a)~~ **(b)** The budget agency must approve the resolution before
 2 covered taxes may be allocated under section 10 of this chapter.

3 ~~(b)~~ **(c)** When considering a resolution, the budget committee and the
 4 budget agency must make the following findings:

5 (1) The cost of the facility and facility site specified under the
 6 resolution exceeds ten thousand dollars (\$10,000).

7 (2) The capital improvement specified under the resolution is
 8 economically sound and will benefit the people of Indiana by
 9 protecting or increasing state and local tax bases and tax revenues
 10 for at least the duration of the tax area established under this
 11 chapter.

12 (3) The political subdivisions affected by the capital improvement
 13 specified under the resolution have committed significant
 14 resources towards completion of the improvement.

15 ~~(c)~~ **(d)** Revenues from the tax area may not be allocated until the
 16 budget agency approves the resolution.

17 SECTION 7. IC 36-7-31.3-19 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 19. The resolution
 19 establishing the tax area must designate the use of the funds. The funds
 20 are to be used only for the following:

21 (1) Except in a tax area in:

22 **(A)** a city having a population of ~~(A)~~ more than one hundred
 23 fifty thousand (150,000) but less than five hundred thousand
 24 (500,000); or

25 ~~(B)~~ more than ninety thousand (90,000) but less than one
 26 hundred five thousand (105,000);

27 **(B) a city described in section 8(b)(2) of this chapter;**

28 a capital improvement that will construct or equip a facility
 29 owned by the city, the county, a school corporation, or a board
 30 under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and
 31 used by a professional sports franchise for practice or competitive
 32 sporting events. In a tax area to which this subdivision applies,
 33 funds may also be used for a capital improvement that will
 34 construct or equip a facility owned by the city, the county, or a
 35 board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11
 36 and used for any purpose specified in section 8(a)(2) of this
 37 chapter.

38 (2) In a city having a population of more than one hundred fifty
 39 thousand (150,000) but less than five hundred thousand
 40 (500,000), a capital improvement that will construct or equip a
 41 facility owned by the city, the county, a school corporation, or a
 42 board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11

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1 and used for any purpose specified in section 8(a) of this chapter.
 2 (3) In a city ~~having a population of more than ninety thousand~~
 3 ~~(90,000) but less than one hundred five thousand (105,000);~~
 4 **described in section 8(b)(2) of this chapter,** a capital
 5 improvement that will construct or equip a facility owned by the
 6 city, the county, or a board under IC 36-9-13, IC 36-10-8,
 7 IC 36-10-10, or IC 36-10-11 and used for any purpose specified
 8 in section 8(a)(1) or 8(a)(2) of this chapter.
 9 (4) The financing or refinancing of a capital improvement
 10 described in subdivision (1), (2), or (3) or the payment of lease
 11 payments for a capital improvement described in subdivision (1),
 12 (2), or (3).

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